

Gregoria, age 66, is single and living in Puerto Rico.

This year, she received:

Received	Amount
Form SSA-1099 that shows her net social security benefits in box 5	\$11,000
Puerto Rican government pension (Gregoria already recovered the cost of her pension)	\$20,000
Survivor benefit pension from Office of Personnel Management (Her husband died 5 years ago)	\$8,000
Interest income from her saving account in a local bank of PR	\$6,200

Based on the facts given, complete lines 1, 2, and 8 through 19 of Gregoria's Figuring Your Taxable Benefits worksheet.

Without closing the PDF window, return to the lesson screen and click Check My Answer.



## Worksheet 1. Figuring Your Taxable Benefits

### Before you begin:

- If you are married filing separately and you lived apart from your spouse for all of 2008, enter "D" to the right of the word "benefits" on Form 1040, line 20a, or Form 1040A, line 14a.
- Do not use this worksheet if you repaid benefits in 2008 and your total repayments (box 4 of Forms SSA-1099 and RRB-1099) were more than your gross benefits for 2008 (box 3 of Forms SSA-1099 and RRB-1099). None of your benefits are taxable for 2008. For more information, see *Repayments More Than Gross Benefits*.

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099. Also enter this amount on Form 1040, line 20a, or Form 1040A, line 14a . . . . . **1.** \_\_\_\_\_
2. Enter one-half of line 1 . . . . . **2.** \_\_\_\_\_
3. Enter the total of the amounts from:  
**Form 1040:** Lines 7, 8a, 9a, 10 through 14, 15b, 16b, 17 through 19, and 21  
**Form 1040A:** Lines 7, 8a, 9a, 10, 11b, 12b, and 13 . . . . . **3.** \_\_\_\_\_
4. Enter the amount, if any, from Form 1040 or 1040A, line 8b . . . . . **4.** \_\_\_\_\_
5. **Form 1040 filers:** Enter the total of any exclusions/adjustments for:
  - Qualified U.S. savings bond interest (Form 8815, line 14)
  - Adoption benefits (Form 8839, line 30)
  - Foreign earned income or housing (Form 2555, lines 45 and 50, or Form 2555-EZ, line 18), and
  - Certain income of bona fide residents of American Samoa (Form 4563, line 15) or Puerto Rico**Form 1040A filers:** Enter the total of any exclusions for:
  - Qualified U.S. savings bond interest (Form 8815, line 14)
  - Adoption benefits (Form 8839, line 30) . . . . . **5.** \_\_\_\_\_
6. Add lines 2, 3, 4, and 5 . . . . . **6.** \_\_\_\_\_
7. **Form 1040 filers:** Enter the amounts from Form 1040, lines 23 through 32, 34, and any write-in adjustments you entered on the dotted line next to line 36. **Form 1040A filers:** Enter the amounts from Form 1040A, lines 16, 17, and 19 . . . . . **7.** \_\_\_\_\_
8. Is the amount on line 7 less than the amount on line 6?  
**No.** None of your social security benefits are taxable. Enter -0- on Form 1040, line 20b, or Form 1040A, line 14b.  
**Yes.** Subtract line 7 from line 6 . . . . . **8.** \_\_\_\_\_
9. If you are:
  - Married filing jointly, enter \$32,000
  - Single, head of household, qualifying widow(er), or married filing separately and you **lived apart** from your spouse for all of 2008, enter \$25,000 . . . . . **9.** \_\_\_\_\_**Note.** If you are married filing separately and you lived with your spouse at any time in 2008, skip lines 9 through 16; multiply line 8 by 85% (.85) and enter the result on line 17. Then go to line 18.
10. Is the amount on line 9 less than the amount on line 8?  
**No.** None of your benefits are taxable. Enter -0- on Form 1040, line 20b, or on Form 1040A, line 14b. If you are married filing separately and you **lived apart** from your spouse for all of 2008, be sure you entered "D" to the right of the word "benefits" on Form 1040, line 20a, or on Form 1040A, line 14a.  
**Yes.** Subtract line 9 from line 8 . . . . . **10.** \_\_\_\_\_
11. Enter \$12,000 if married filing jointly; \$9,000 if single, head of household, qualifying widow(er), or married filing separately and you **lived apart** from your spouse for all of 2008 . . . . . **11.** \_\_\_\_\_
12. Subtract line 11 from line 10. If zero or less, enter -0- . . . . . **12.** \_\_\_\_\_
13. Enter the **smaller** of line 10 or line 11 . . . . . **13.** \_\_\_\_\_
14. Enter one-half of line 13 . . . . . **14.** \_\_\_\_\_
15. Enter the **smaller** of line 2 or line 14 . . . . . **15.** \_\_\_\_\_
16. Multiply line 12 by 85% (.85). If line 12 is zero, enter -0- . . . . . **16.** \_\_\_\_\_
17. Add lines 15 and 16 . . . . . **17.** \_\_\_\_\_
18. Multiply line 1 by 85% (.85) . . . . . **18.** \_\_\_\_\_
19. **Taxable benefits.** Enter the **smaller** of line 17 or line 18. Also enter this amount on Form 1040, line 20b, or Form 1040A, line 14b . . . . . **19.** \_\_\_\_\_



If you received a lump-sum payment in 2008 that was for an earlier year, also complete Worksheet 2 or 3 and Worksheet 4 to see if you can report a lower taxable benefit.